



March 18, 2005

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## ENGROSSED HOUSE BILL No. 1306

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DIGEST OF HB 1306 (Updated March 16, 2005 11:35 am - DI 104)

**Citations Affected:** IC 25-22.5.

**Synopsis:** Physician referrals. Requires a physician to provide certain information to an individual before referring the individual to a health care entity in which the physician has a financial interest. Provides an exception for emergency circumstances.

**Effective:** July 1, 2005.

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### Becker, Brown C, Budak

(SENATE SPONSORS — SERVER, SIMPSON)

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January 11, 2005, read first time and referred to Committee on Public Health.  
January 25, 2005, amended, reported — Do Pass.  
January 31, 2005, read second time, ordered engrossed. Engrossed.  
February 1, 2005, read third time, passed. Yeas 95, nays 0.

SENATE ACTION

February 14, 2005, read first time and referred to Committee on Health and Provider Services.  
March 17, 2005, amended, reported favorably — Do Pass.

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EH 1306—LS 6721/DI 97+



March 18, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1306

A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 25-22.5-11 IS ADDED TO THE INDIANA CODE  
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2005]:

4 **Chapter 11. Physician Referral to Certain Health Care Entities**

5 **Sec. 1. As used in this chapter, "financial interest" means an**  
6 **ownership or investment interest through equity, debt, or other**  
7 **means.**

8 **Sec. 2. As used in this chapter, "health care entity" means an**  
9 **organization or a business, that provides diagnostic, medical, or**  
10 **surgical services, dental treatment, or rehabilitative care.**

11 **Sec. 3. (a) Except as provided in subsection (b), a physician must**  
12 **do the following before referring an individual to a health care**  
13 **entity in which the physician has a direct or an indirect financial**  
14 **interest:**

15 (1) **Disclose in writing to the individual that the physician has**  
16 **a financial interest in the health care entity.**

17 (2) **Inform the individual in writing that the individual may**

EH 1306—LS 6721/DI 97+



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choose to be referred to another health care entity.

The individual shall acknowledge receipt of the notice required under this section by signing the notice. The physician shall keep a copy of the signed notice.

(b) Subsection (a) does not apply if a delay in treatment caused by compliance with the requirements of subsection (a) would reasonably be expected by the referring physician to result in serious:

(1) jeopardy to the individual's health;

(2) impairment to the individual's bodily functions; or

(3) dysfunction of a bodily organ or part of the individual.

Sec. 4. Compliance with this chapter is a condition of licensure under this article.

Sec. 5. This chapter is not intended to conflict with 42 U.S.C. 1395nn or 42 U.S.C. 1396b(s).

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1306, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 16, after "Disclose" insert "**in writing**".

Page 2, line 1, before "that" insert "**in writing**".

and when so amended that said bill do pass.

(Reference is to HB 1306 as introduced.)

BECKER, Chair

Committee Vote: yeas 12, nays 0.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1306, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 9, delete "other than a referring physician's office".

Page 1, line 10, delete "or practice,".

Page 1, line 16, delete "the physician's" and insert "**that the physician has a**".

Page 2, between lines 2 and 3, begin a new line blocked left and insert:

**"The individual shall acknowledge receipt of the notice required under this section by signing the notice. The physician shall keep a copy of the signed notice."**

and when so amended that said bill do pass.

(Reference is to HB 1306 as printed January 26, 2005.)

MILLER, Chairperson

Committee Vote: Yeas 10, Nays 0.

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